SHRI MANMOHAN SINGH: It is our constant effort. We have been discussing these matters with the State Governments. We shall intensify the efforts in the course of the next year.

SHRI VIREN J. SHAH: I would like to ask the hon. Minister about the numbers, figures, amounts given in rupees, in the various Budget documents, about the outstanding total debt of the Government which includes external debt which is in dollars. I would like to know about the exchange rate of the rupee. What is the particular rate? Is it the exchange of the rupee when the loan is taken or is it the exchange rate of the time of borrowing? Which is the basis for these numbers? Part of the external debt is in dollar terms. Is the exchange rate as on 31 March, 1993 applicable? Or is it the earlir borroing rate?

SHRI MANMOHAN SINGH: It is at the prevailing exchange rates.

MR. CHAIRMAN: Question No. 185.

Government's Debt to RBI

*185. SHRI ASHOK MITRA: Will the Minister of FINANCE be pleased to state

(a) the total RBI debt outstanding against Government;

(b) the interest paid on account of this in the current year as well as to be paid in each of the next five years; and

(c) whether, as part of fiscal reforms, Government would consider entering into an arrangement with the Reserve Bank of India for writing off of such debt?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) The debt to RBI at the end of December, 1993 amounted to Rs. 1,05,706.88 crores.

(b) The interest payments in the current financial year are estimated at Rs. 5850 crores. The liability in future years will depend on the size of debt emerging from time to time.

(c) There is no proposal under consideration of Government.

SHRI ASHOK MITRA: Sir, most of the debt is on account of the dumping of treasury bills by the Government on the Reserve Bank of India and the interest payments accrued on that account. It is a bit like a merry-go-ground; the Government is paying the Reserve Bank of India and the Reserve Bank of India is returning it to the Government in the form of income or profit. I understand there are some technicalitiies and legalities involved. But, since the Finance Minister has announced his intention to phase out the issue of ad hoc treasury bills, would he kindly contemplate some special legislation whereby this irritant of back-and-forth business is finally dispensed with?

SHRI MANMOHAN SINGH: Mr. Chairman, it is not clear to me what special legislation the hon. Member has in mind. The purpose of the decision that I announced in the course of my Budget speech is to ensure that over a period of three years, the Central Government would cease to have any recours to the issue of *ad hoc* treasury bills in favour of the Reserve Bank of India. That is the commitment that I have given. With a beginning this year, we will move on to the final destination point in a period of three years. It is not clear to me what sort of legislation he wants.

SHRI ASHOK MITRA: I was trying to be helpful to the Finance Minister. In the debit account and the credit account, the same amount appears. Why don't you get rid of it once and for all?

SHRI MANMOHAN SINGH: That would be a disastrous advice. I have great regard for my great friend. But it would be a sad day when the Reserve Bank of India also has to be declared as a bankrupt institution because the Reserve Bank of India's main source of income is the interest that it earns and I would like the House to be taken into confidence about the net income of the

Reserve Bank for 1992-93—gross income, Rs. 5,628 crores. Out of this, the Reserve Bank of India pays interest to the scheduled commercial banks on the cash reserves which the scheduled commercial banks maintain, Rs. 2,039.96 crores; then there are agency charges which the Reserve Bank pays for acting on its behalf to various commercial banks, Rs. 386.68 crores; then security printing charges, Rs. 295.65 crores, charges on extended fund facilities, Rs. 616 crores and other expenses, Rs. 498 crores. If I were to accept the hon. Member's suggestion, then the Reserve Bank of India would not be able to meet this expenditure and it would be a sad day for this country if the Reserve Bank of India were also to be declared as a bankrupt institution.

SHRI ASHOK MITRA: Sir, now that we are moving away from the regime of short term treasury bills to the regime of 364 day bills and coupon bonds, could we have an assurance from the Minister that there would be periodic statements made about the obligations of the Government on account of these two new papers that are being created?

SHRI MANMOHAN SINGH: These are all public knowledge. These are auctions. So, anybody, who reads the daily newspaper, has all the information —the effective rates of interest as well as the nominal rates of interest—they are all public knowledge and in the financial Press, they are reproduced every day when these auctions take place.

SHRI ASHOK MITRA. Would the Government kindly take the trouble of letting the public know of the total accumulated additional indebtedness?

SHRI MANMOHAN SINGH: Sir, we bring out every year in the Economic Survey all these data. I have no desire to keep this away from the public or from Parliament.

SHRI SOMAPPA R. BOMMAI: Mr. Chairman, Sir, the Finance Minister was good enough... (Interruptions)

MR. CHAIRMAN: Mr. Digvijay Singh, have you raised your hand now?

SHRI DIGVIJAY SINGH: Not now, Sir.

MR. CHAIRMAN: I am asking people who have raised their hands.

SHRI SOMAPPA R. BOMMAI: I rarely ask questions. The Finance Minister was good enough to tell the House that within the course of three years, the Central Government will end *ad hocism* about the treasury bills. What about the State Governments? I would like to know this thing.

SHRI MANMOHAN SINGH: As far as the State Governments are concerned, the State Governments have the permission of the Central Government to have a recoup to the Ways and Means Advances from the Reserve Bank. At the instance of all the Chief Ministers, and this applies to both, the Chief Ministers of our party as well as the Opposition Chief Ministers, and in fulfilment of one of the recommendations of the Sarkaria Commission, we have recently increased these limits as far as the State Governments are concerned. So, the amount that the State can borrow from the Reserve Bank of India has been increased, the period over which these borrowings can remain outstanding, has also been increased from five working days to ten working days. I am mindful of the difficulties that the State Governments have faced and it is in fulfilment of one of the recommendations of the Sarkaria Commission that I have done this. But I want state that in addition to this, some States, from time to time, have recourse to the unathorised overdraft. This route we are going to plug. We are in great finanacial difficulty. The Central Government, for the first time, has imposed upon itself a very tight fiscal discipline. I expect cooperation from the State Governments in this regard.

श्रीमति सुषमा स्वराज : सभापति महोदया मैं मंत्री महोदय मैं यह जानना चाहूंगी कि क्या उन्हें यह जानकारी है कि खुद संविधान में यह प्रावधान है जिसके तहत संसद ऐसा वित्त बिल

पास कर सकती है जिसके अन्तर्गत सरकार अपनी उधार की सीमा बांध सकती है और उससे ज्यादा उधार अगर सरकार लेगी तो उसको जरूरी तौर पर संसद के सामने लाना पड़ेगा कि इससे ज्यादा उधार हम ले रहे हैं और उसके जरिये संसद को विश्वास में लिया जा सकेगा और संसद के माध्यम से देश को विश्वास में लिया जा सकेगा। तो भारतीय संविधान के उस प्रावधान के तहत क्या सरकार कोई ऐसा बिल लाने की योजना बना रही है और अगर नहीं ला रही है तो उसका क्या औचित्य है?

SHRI MANMOHAN SINGH: Mr. Chairman, Sir, I am concerned about the growth of borrowings, but I do not feel that any rigid limitations of the type that the hon. Member has in mind would be feasible at this stage. I have seen what has been attempted in other States. Some pressures arose to limit the Government borrowing in the United States under the Gramm Rudman Act, but in practice, what has happened is that several loopholes were deliberately found to get out of the rigour of the Act. We are now experimenting with a new path. We will see how it works. And in principle, I cannot rule out legislation, but we must learn, and learn by doing in this way.

SHRI VIREN J. SHAH. Some of your predecessors had suggested . (*Interruption*)...

श्रीमति सुषमा स्वराज : सभापति महोदया उससे उधार ज्याद लेने पर पाबन्दी नहीं लग जायेगी। फर्क सिर्फ इतना होगा कि संसेद की कलेक्टिव विजडम यह देखेगी कि जो उधार आप ले रहे रहे हैं वह किस चीज के लिये ले रहे हैं। जवह लेना सही है या .हीं। केवल संसद को विश्वास में लेने की एक प्रक्रिया चलेगी। कोई उधार ज्यादा लेने केवल संसेद को विश्वास ण लेने की एक पर पाबन्दी दहीं लग जायेगी। तो आप क्यों नहीं संसेद को विश्वास मे लेना चाहते हैं। जो चीज आप अपनी बुद्धि-जत्ता से करना चाह रहे हैं उसको संसदकी की कलेक्टिव विज डम के साथ करिये।

SHRI MANMOHAN SINGH: Well, Mr. Chairman, a reference has been made to what one of my predecessors had thought about limiting borrowings. Well, I think, an idea was floated, but I also recall that in that very period a disastrous thing was done to hurt the Indian banking system by that ill designed and ill-thought out scheme of waiving loans which has hurt the repayment ethics irreparably in our country.

MR CHAIRMAN: Q. No. 186

*186. (The Questioner (Shrimati Kamla Sinha) was absent. For answer vide col infra.)

Production and Marketing of Cotton

*187. Dr. YELAMANCHILI SIVAJI : Will the Minister of TEXTILES be pleased to state the total quantity of cotton pressed into bales during this year so far and how much is yet to be marketed, the state-wise details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKTA SWAMY): A statement is laid down on the table of the House.